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ATTORNEYS FOR CHAPTER 11 DEBTOR



Order Filed on January 12, 2022
by Clerk
U.S. Bankruptcy Court
District of New Jersey


**UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF NEW JERSEY**

In the Matter of:	:	CASE NO. 21-13085-ABA
Choates G. Contracting, LLC	:	
Debtor	:	ADV. NO. 21-1281
Choates G. Contracting, LLC	:	
Plaintiff,	:	
vs.	:	
Philly Properties GP, LLC	:	
Defendants	:	

**SETTLEMENT AGREEMENT AND CONSENT ORDER RESOLVING ADVERSARY PROCEEDING AND
OBJECTION TO CONFIRMATION OF CHAPTER 11 PLAN OF PHILLY PROPERTIES GP, LLC AND
DREXEL PROPERTIES GP, LLC**

The relief set forth on pages 2 through ____ 4 that follow is hereby **ORDERED**.

DATED: January 12, 2022



Honorable Andrew B. Altenburg, Jr.
United States Bankruptcy Court

This Consent Order Resolving Adversary Proceeding and Objection to Confirmation of Chapter 11 Plan of Philly Properties GP, LLC and Drexel Properties GP, LLC (the 'Consent Order') is entered into between:

Choates G. Contracting, LLC, represented by Daniel Reinganum, Esq. ('CGC')

Darrell S. Choates, represented by Bradley Sclar, Esq. ('Choates');

Philly Properties GP, LLC, represented by William Katz, Esq.; and

Drexel Properties GP, LLC, represented by William Katz, Esq. ('Philly Properties' and 'Drexel Hill Properties', respectively).

THE PARTIES HAVE AGREED AS FOLLOWS:

1. The amount of Philly Properties' claim is fixed at \$245,019
2. Drexel Hill Properties shall be entitled to an allowed general unsecured claim in the amount of \$264,981.
3. Within seven (7) days of the date hereof, Choates and Philly Properties shall execute a consent judgment in favor of Philly Properties and against Darrell Choates, individually, in the amount of \$245,019 plus interest at the rate of 6% per annum from March 3, 2020 until paid in full. Once executed by Choates, the consent judgment shall be immediately forwarded William Katz. The form of consent judgment shall be substantially the same as Exhibit A, attached hereto.
4. Within seven (7) days of the date hereof, Choates and Drexel Properties shall enter into a consent judgment in favor of Drexel Properties and against Darrell Choates, individually, in the amount of \$264,981 plus interest at the rate of 6% per annum from March 3, 2020 until paid in full. The consent judgment shall be executed by Choates and held in escrow by Daniel Reinganum, Esq. pending confirmation of the Debtor's Chapter 11 plan.
5. The delivered consent judgments shall be held in escrow by William Katz. If (a) Debtor commits a material default of the Chapter 11 plan or (b) Debtor's case is converted to

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Chapter 7 or (c) a Chapter 11 Trustee is appointed, Philly Properties and/or Drexel Properties may file the consent judgment with any Court of competent jurisdiction, including, without limitation, the New Jersey Superior Court, which shall enter them as a Final Judgment By Consent. If CGC completes its bankruptcy plan in full, thereby repaying to Philly Properties and Drexel Properties the settlement sum, the consent judgment shall be returned to counsel for Debtors.

6. Choates shall complete a personal financial statement in substantially the same form of Exhibit C, attached hereto. Within seven (7) days of the date hereof, Choates shall forward the personal financial statement to William Katz, Esq.

7. Following the entry of this consent order and delivery of the consent judgments and personal financial statements, all parties agree submit a stipulated order to the New Jersey Superior Court in a form to be agreed upon by the parties, calling for the dismissal without prejudice of the pending state court litigation, and addressing those other matters discussed with the Honorable Timothy Chell, J.S.C. at a status conference on October 26, 2021.

8. Within ten (10) days of confirmation of the Debtor's Chapter 11 plan, the Debtor shall dismiss Adversary Proceeding No. 21-13085-ABA. This dismissal shall be with prejudice as to the Debtor but shall not be binding on a Chapter 7 Trustee if one is later appointed.

9. The terms of this settlement and consent order are subject to approval by the United States Bankruptcy Court for the District of New Jersey.

I AGREE TO THE FORM AND ENTRY OF THE WITHIN CONSENT ORDER

As to Choates G. Contracting, LLC

BY: 

Darrell Choates, Sr.
Managing Member

DATE: 12-6-21

As to Darrell Choates, Sr.

BY: 

Darrell Choates, Sr.

Individually

DATE: 12-6-21

As to Philly Properties GP, LLC

BY: 

DATE: 12-08-2021

Managing Member

As to Drexel Properties GP, LLC

BY: 

DATE: 12-08-2021

Managing Member